

EXHIBIT 1

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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 CASE NO. 18-MD-2865 (LAK)

4 IN RE:)
5)
6)

5 CUSTOMS AND TAX ADMINISTRATION OF)
6 THE KINGDOM OF DENMARK)
7 (SKATTEFORVALTNINGEN) TAX REFUND)
8 SCHEME LITIGATION)
9)

This document relates to case nos.)
19-cv-01783; 19-cv-01788; 19-cv-01794;)
19-cv-01798; 19-cv-01918)
10)
11)
12)
13)

14 REMOTE VTC VIDEOTAPED DEPOSITION UNDER ORAL

15 EXAMINATION OF

16 ROBERT KLUGMAN

17 DATE: January 28, 2021
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25 REPORTED BY: MICHAEL FRIEDMAN, CCR

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1 A Well, this concerns the procedures
2 to trade the transactions in August of 2014.

3 Q And where did you get these steps
4 from?

5 A From -- which steps are you
6 referring to? The --

7 Q You say it's below the steps --

8 A Yes, I see it. I'm just reading
9 further on into the -- into the e-mail.

10 (Witness reviewing.)

11 I believe these were from Adam
12 LaRosa.

13 Q Yeah. I think in your e-mail, you
14 say, "Adam, below is a summary of the steps
15 we discussed last week, again as prepared by
16 Ira and Matt" --

17 A Okay.

18 Q -- "with some small edits by me."

19 A Yeah.

20 Q Who are Ira and Matt?

21 A Ira and Matt would have been people
22 to help us process the transactions
23 or -- yeah, process the transactions.

24 Q And was there a training session
25 that you had for Ira and Matt to go through

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1 the steps that they would need to do to
2 process these transactions?

3 A I believe there was. Whether in
4 person or a phone call, I don't remember.

5 Q Did you attend a meeting at
6 Kaye Scholer's offices to go over the steps?

7 A It's possible. I don't remember
8 exactly.

9 Q If you turn to the first page, it
10 has the trading day.

11 Do you see that?

12 A I'm sorry. This is still in
13 Exhibit 1777?

14 Q Yeah. It's the first page of the
15 attachment.

16 A First page of the -- oh, where it
17 says "trading day?"

18 Q Yes.

19 A Okay. Yeah, I'm here.

20 Q So it says, around 7:00 a.m.,
21 "Request for liquidity?"

22 A Yes.

23 Q And what did that involve?

24 A That was to see if there was
25 capacity to -- I'm just reading down a little

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1 further -- to buy -- to buy the equities, to
2 buy the Danish stocks.

3 Q And they would do that by sending
4 out an e-mail for each plan?

5 A That's my recollection, yes.

6 Q 34 e-mails at this stage.

7 Right?

8 A I guess that there must have been
9 34 plans, I would imagine.

10 Q And each of those was requesting
11 liquidity for that particular plan?

12 A Yes.

13 Q And then they would get a response
14 back from the counterparty within ten minutes
15 to an hour?

16 A That's -- so it seems, yes.

17 Q And this was a standard step that
18 was done for all of the Danish trading
19 transactions.

20 Right?

21 A I know this was the step that Adam
22 helped train Matt and Ira to do.

23 Q And to the best of your knowledge,
24 did they do it?

25 A In August, I believe they did, yes.

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1 Q Was there sometime when they
2 stopped doing it?

3 A Yes.

4 Q And when was that?

5 A I think some -- in 2015. I don't
6 think -- there was a different system put in
7 place.

8 Q And how did that happen?

9 A I'm not sure how it happened.

10 Q Well, who put the different system
11 in place?

12 A I think that was put in place by
13 Solo to help facilitate trading.

14 Q And that effectively made Matt and
15 Ira redundant?

16 A Yes.

17 Q And what do you know about this
18 different system that Solo put in place?

19 A I'm not sure what you mean, what do
20 I know about it.

21 Q When you say "a system," was it a
22 different person, was it a computer program,
23 was it just automation?

24 What did Solo put in place?

25 A I know it was a level of

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1 lender is the same in every case.

2 A Yes, I see that.

3 Q Had you ever worked with Gnosis
4 prior to this?

5 A No.

6 Q So the allocations and the
7 identities of the various counterparties was
8 all provided by Solo. And then, that's what
9 Matt and Ira would use in terms of populating
10 the template that they would then use in
11 order to process the transaction?

12 A I missed the very first part of
13 that question. I'm sorry.

14 Q Yeah. So, the -- Solo would
15 provide you with the identification of the
16 counterparties and the allocation of the
17 shares for each plan.

18 And Matt and Ira would then use
19 that information to populate the template
20 they were using to process the transaction?

21 A Yes, that sounds right. I
22 don't -- I really don't remember any specific
23 template, but that sounds about right, yes.

24 Q If you turn to Exhibit 1786?

25 MR. MAGUIRE: Mark this as 1786.

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1 automation. Whether it was, you know,
2 completely human-driven or completely
3 computer-driven, I'm not sure.

4 Q Okay. Are you aware of any
5 occasion in any Danish trading transaction
6 when any counterparty responded to the
7 inquiry here that's at the top of this page
8 about trading day, the request for liquidity,
9 where any counterparty responded that there
10 was no liquidity or they were unable to
11 provide liquidity?

12 A I don't recall of an instance like
13 that, no.

14 Q Are you aware of any counterparty
15 in any Danish trading transaction ever
16 declining to do a transaction that was
17 proposed by any plan?

18 A I don't recall an instance of that,
19 no.

20 Q If you could turn to Exhibit 1780?

21 MR. MAGUIRE: Mark this as 1780.

22 (Whereupon the above mentioned was
23 marked for Identification.)

24 A Yes.

25 Q Is this an e-mail on which you were

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1 copied by Mr. Markowitz on or about
2 February 23 of 2015?

3 A Yes, it does seem to be.

4 Q You see the subject is "Software
5 License and New Custody Agreement?"

6 A Yes.

7 Q And it says, "Attached are the new
8 agreements that each of the plans entered
9 into. The first is a software license for an
10 automated trading system."

11 Do you see that?

12 A I -- yes, I see that.

13 Q If you go to the end of the
14 document, it appears to be the last couple of
15 pages, are the license terms of the Octave
16 System?

17 A Yes.

18 Q Is this the Solo automation system
19 that Solo put in place that you referred to
20 earlier?

21 A It seems to be, yes.

22 Q Is there anything further that you
23 can tell us about the Octave System?

24 A (Witness reviewing.)

25 I mean, anything in specific? I

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